

# EXHIBIT 52


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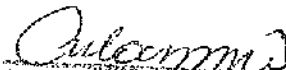
## **AMBIKA INVESTMENTS LIMITED**

### **REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2013

Certified True Copy of the original, duly audited and  
Accounts, Directors' Auditors' Report laid before the  
Company's Annual General Meeting.

  
Director

  
Secretary

## **AMBIKA INVESTMENTS LIMITED**

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### **REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2013

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## **AMBIKA INVESTMENTS LIMITED**

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### **BOARD OF DIRECTORS AND OTHER OFFICERS**

<b>Board of Directors:</b>	Petros Livanios Ria Christofides
<b>Company Secretary:</b>	Petros Livanios
<b>Independent Auditors:</b>	C. Symeonides & Co Limited Chartered Certified Accountants 115, Griva Digeni Avenue P.O. Box 53110 CY-3300 Limassol, Cyprus
<b>Registered office:</b>	115, Griva Digeni Trident Centre CY-3101, Limassol Cyprus
<b>Bankers:</b>	Joint Stock Commercial Bank Probusinessbank, Russia JSC Trasta Komercbanka Cyprus Branch

## **AMBIKA INVESTMENTS LIMITED**

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### **REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2013.

#### **Principal activities**

The principal activities of the Company during the year under review are that of trading in securities, forward contracts and financing.

#### **Review of current position, future developments and significant risks**

The Company incurred a loss of US\$ 66,363,733 during the year ended 31 December 2013, and, as at that date its liabilities exceeded its assets by US\$ 119,318,446. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

#### **Results**

The Company's results for the year are set out on page 5.

#### **Dividends**

The Board of Directors does not recommend the payment of a dividend.

#### **Share capital**

There were no changes in the share capital of the Company during the year under review.

#### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2013 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2013.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

#### **Independent Auditors**

The Independent Auditors, C. Symeonides & Co Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Petros Livanios  
Director

Limassol, Cyprus, 3 March 2016



C. SYMEONIDES & Co LTD

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Tel +357 - 25814144  
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## **Independent auditor's report**

### **To the Members of Ambika Investments Limited**

#### **Report on the financial statements**

We have audited the financial statements of Ambika Investments Limited (the "Company") on pages 5 to 19 which comprise the statement of financial position as at 31 December 2013, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Ambika Investments Limited as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## **Independent auditor's report (continued)**

### **To the Members of Ambika Investments Limited**

#### *Emphasis of matter*

We draw attention to note 2 to the financial statements which indicates that the Company incurred a loss of US\$66,363,733 during the year ended 31 December 2013, and, as at that date its liabilities exceeded its assets by US\$119,318,446. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

#### **Report on other legal requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

~~C. SYMEONIDES & CO LTD~~

**C. Symeonides & Co Limited**  
**Chartered Certified Accountants**

Limassol, Cyprus, 3 March 2016

**AMBIKA INVESTMENTS LIMITED****STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 December 2013

	Note	2013 US\$	2012 US\$
Loan interest income		15,036,034	5,660,124
Profit on Promissory note receivable		673,012	673,012
Interest receivable from bonds		-	3,987
<b>Total revenue</b>		<b>15,709,046</b>	<b>6,337,123</b>
Other income		316,479	-
Loss from investing activities	5	(69,617,268)	(42,392,509)
Change in fair value of derivative financial instruments		52,362,475	5,968,687
Administration expenses	6	(57,214,477)	(52,443)
<b>Operating loss</b>	7	<b>(58,443,745)</b>	<b>(30,139,142)</b>
Finance income	8	328,796	-
Finance costs	8	(8,248,784)	(6,893,853)
<b>Loss before tax</b>		<b>(66,363,733)</b>	<b>(37,032,995)</b>
Tax	9	-	-
<b>Net loss for the year</b>		<b>(66,363,733)</b>	<b>(37,032,995)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive expenses for the year</b>		<b>(66,363,733)</b>	<b>(37,032,995)</b>

The notes on pages 9 to 19 form an integral part of these financial statements.

**AMBIKA INVESTMENTS LIMITED****STATEMENT OF FINANCIAL POSITION**

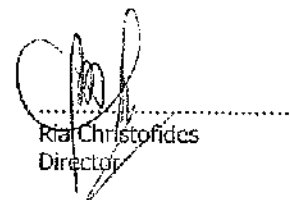
31 December 2013

	Note	2013 US\$	2012 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current loans receivable	11	<u>64,716,922</u>	<u>226,436,277</u>
		<u>64,716,922</u>	<u>226,436,277</u>
<b>Current assets</b>			
Trade and other receivables	12	854	5,344
Loans receivable	11	<u>129,126,957</u>	<u>19,645,138</u>
Derivative financial instrument	10	<u>52,362,475</u>	<u>5,968,687</u>
Cash at bank and in hand	13	<u>6,608,835</u>	<u>4,291,331</u>
		<u>188,099,121</u>	<u>29,910,500</u>
<b>Total assets</b>		<u>252,816,043</u>	<u>256,346,777</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	2	2
Accumulated losses		<u>(119,318,448)</u>	<u>(52,954,715)</u>
<b>Total equity</b>		<u>(119,318,446)</u>	<u>(52,954,713)</u>
<b>Non-current liabilities</b>			
Borrowings	15	<u>27,867,270</u>	<u>90,573,127</u>
		<u>27,867,270</u>	<u>90,573,127</u>
<b>Current liabilities</b>			
Trade and other payables	16	<u>269,679,034</u>	<u>200,857,654</u>
Borrowings	15	<u>74,588,185</u>	<u>17,819,445</u>
Current tax liabilities	17	-	51,264
		<u>344,267,219</u>	<u>218,728,363</u>
<b>Total liabilities</b>		<u>372,134,489</u>	<u>309,301,490</u>
<b>Total equity and liabilities</b>		<u>252,816,043</u>	<u>256,346,777</u>

On 3 March 2016 the Board of Directors of Ambika Investments Limited authorised these financial statements for issue.



Petros Livanios  
Director



Ria Christofides  
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

**AMBIKA INVESTMENTS LIMITED****STATEMENT OF CHANGES IN EQUITY**

Year ended 31 December 2013

	Share capital US\$	Accumulated losses US\$	Total US\$
<b>Balance at 1 January 2012</b>	<b>2</b>	<b>(15,921,720)</b>	<b>(15,921,718)</b>
Net loss for the year	-	(37,032,995)	(37,032,995)
<b>Balance at 31 December 2012/ 1 January 2013</b>	<b>2</b>	<b>(52,954,715)</b>	<b>(52,954,713)</b>
Net loss for the year	-	(66,363,733)	(66,363,733)
<b>Balance at 31 December 2013</b>	<b>2</b>	<b>(119,318,448)</b>	<b>119,318,446)</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 19 form an integral part of these financial statements.

**AMBIKA INVESTMENTS LIMITED****CASH FLOW STATEMENT**

Year ended 31 December 2013

	Note	2013 US\$	2012 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(66,363,733)	(37,032,995)
Adjustments for:			
Unrealised exchange loss		994,336	203,272
Loss from the sale of financial assets at fair value through profit or loss		31,677,335	28,274,573
Change in fair value of derivative financial instruments		(52,362,475)	(5,968,687)
Interest income		(15,036,034)	(5,660,124)
Interest expense	8	7,248,952	6,330,210
Profit on promissory note receivable		(673,012)	(673,012)
Provision for bad debts		57,000,000	-
		(37,514,631)	(14,526,763)
<b>Changes in working capital:</b>			
Decrease in trade and other receivables		4,490	50
Decrease/(increase) in derivative financial instruments		5,968,687	(802,469)
Increase in trade and other payables		37,143,128	170,880,704
<b>Cash generated from operations</b>		<b>5,601,674</b>	<b>155,551,522</b>
Interest received		4,809,033	2,986,765
Tax paid		(51,264)	-
<b>Net cash generated from operating activities</b>		<b>10,359,443</b>	<b>158,538,287</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted		(100,349,832)	(197,022,904)
Loans repayments received		106,050,000	11,660,000
<b>Net cash generated from/(used in) investing activities</b>		<b>5,700,168</b>	<b>(185,362,904)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		(16,050,000)	(20,000,000)
Proceeds from borrowings		8,041,220	40,000,000
Interest paid		(5,733,327)	(4,359,740)
<b>Net cash (used in)/generated from financing activities</b>		<b>(13,742,107)</b>	<b>15,640,260</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,317,504</b>	<b>(11,184,357)</b>
Cash and cash equivalents at beginning of the year		4,291,331	15,475,688
<b>Cash and cash equivalents at end of the year</b>	13	<b>6,608,835</b>	<b>4,291,331</b>

The notes on pages 9 to 19 form an integral part of these financial statements.

## **AMBIKA INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

#### **1. Incorporation and principal activities**

##### **Country of incorporation**

The Company Ambika Investments Limited (the "Company") was incorporated in Cyprus on 4 July 2006 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 115, Griva Digeni, Trident Centre, CY-3101, Limassol, Cyprus.

##### **Principal activities**

The principal activities of the Company during the year under review are that of trading in securities, forward contracts and financing.

#### **2. Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

##### **Going concern basis**

The Company incurred a loss of US\$66,363,733 for the year ended 31 December 2013, and, as at that date its liabilities exceeded its assets by US\$119,318,446. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

##### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

##### **Adoption of new and revised IFRSs**

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

## **AMBIKA INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

#### **2. Accounting policies (continued)**

##### **Revenue recognition**

Revenues earned by the Company are recognised on the following bases:

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 31 December 2013 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

##### **Finance income**

Finance income includes interest income which is recognised based on an accrual basis.

##### **Finance costs**

Interest expense and other borrowing costs are charged to profit or loss as incurred.

##### **Foreign currency translation**

- (1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

- (2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

##### **Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

## AMBIKA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

#### 2. Accounting policies (continued)

##### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

##### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

##### Financial assets

##### *(1) Classification*

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

##### *(2) Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

## **AMBIKA INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

#### **2. Accounting policies (continued)**

##### **Financial instruments (continued)**

##### **Financial assets (continued)**

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

##### **Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

##### **Borrowings**

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

##### **Trade payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

##### **Share capital**

Ordinary shares are classified as equity.

## **AMBIKA INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

#### **2. Accounting policies (continued)**

##### **Non-current liabilities**

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

#### **3. Financial risk management**

##### **Financial risk factors**

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### **3.1 Market price risk**

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

##### **3.2 Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

##### **3.3 Credit risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

##### **3.4 Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

##### **3.5 Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Russian Rouble, British Pound and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

#### **4. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**AMBIKA INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

**4. Critical accounting estimates and judgements (continued)**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**5. Loss from investing activities**

	2013	2012
	US\$	US\$
Loss from sale of forward contracts	(37,939,933)	(14,117,936)
Loss from sales of financial assets at fair value through profit or loss	(31,677,335)	(28,274,573)
	<u>(69,617,268)</u>	<u>(42,392,509)</u>

**6. Administration expenses**

	2013	2012
	US\$	US\$
Computer supplies and maintenance	2,200	5,715
Auditors' remuneration - current year	30,306	22,016
Auditors' remuneration - prior years	2,270	450
Legal fees	659	-
Other professional fees	28,483	23,762
Government licence fees	465	450
Brokerage fees	51,901	50
Professional fees abroad	98,193	-
Provision for bad debts	57,000,000	-
	<u>57,214,477</u>	<u>52,443</u>

**7. Operating loss**

	2013	2012
	US\$	US\$
Operating loss is stated after charging the following items:		
Loss from sale of available-for-sale financial assets	37,939,933	14,117,936
Auditors' remuneration - current year	30,306	22,016
Auditors' remuneration - prior years	<u>2,270</u>	<u>450</u>

**AMBIKA INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

**8. Finance income/cost**

	2013 US\$	2012 US\$
Exchange profit	<u>328,796</u>	-
<b>Finance income</b>	<u>328,796</u>	-
Net foreign exchange transaction losses	(994,336)	(558,582)
Interest expense	(7,248,952)	(6,330,210)
Sundry finance expenses	<u>(5,496)</u>	<u>(5,061)</u>
<b>Finance costs</b>	<u>(8,248,784)</u>	<u>(6,893,853)</u>
<b>Net finance costs</b>	<u>(7,919,988)</u>	<u>(6,893,853)</u>

**9. Tax**

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2013 US\$	2012 US\$
Loss before tax	<u>(66,363,733)</u>	<u>(37,032,995)</u>
Tax calculated at the applicable tax rates	(8,295,467)	(3,703,300)
Tax effect of expenses not deductible for tax purposes	11,389,542	-
Tax effect of allowances and income not subject to tax	(6,587,133)	3,703,300
Tax effect of tax loss for the year	<u>3,493,058</u>	-
<b>Tax charge</b>	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5% (2012:10%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2013, the balance of tax losses which is available for offset against future taxable profits amounts to US\$60,187,507 for which no deferred asset is recognised in the statement of financial position.

**AMBIKA INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

**10. Derivative financial instrument****Forward contracts**

	2013 US\$	2012 US\$
<b>Assets</b>		
Change in fair value of forward currency contracts	85,941	252,875
Change in fair value of forward contracts in bonds	<u>52,276,534</u>	<u>5,715,812</u>
	<u>52,362,475</u>	<u>5,968,687</u>

The Company has entered into several forward currency contracts mainly with US Dollar, Swiss Franc, Canadian Dollar, Russian Rouble and Euro which have expired at the beginning of 2014.

In addition the Company has entered into several forward contracts in order to buy and sell Russian Eurobonds in 2014.

The calculation of the fair value of swaps is based on discounted cash flows of future anticipated interest payments on the swap agreements in place compared with the discounted cash flows of anticipated interest payments at market swap interest rates at the reporting date. The interest rate swap is designated and effective as cash flow hedge and the fair value thereof has been deferred in equity.

**11. Non-current loans receivable**

	2013 US\$	2012 US\$
Balance at 1 January	246,081,415	57,311,305
New loans granted	43,349,832	197,022,904
Repayments	(110,859,033)	(14,646,765)
Interest charged	15,036,034	5,660,124
Profit on Promissory note receivable	673,012	673,012
Unrealised exchange gain	(437,381)	60,835
<b>Balance at 31 December</b>	<u>193,843,879</u>	<u>246,081,415</u>

	2013 US\$	2012 US\$
Loans receivable	250,843,879	246,081,415
Provisions for doubtful loans	<u>(57,000,000)</u>	-
	193,843,879	246,081,415
Less current portion	<u>(129,126,957)</u>	<u>(19,645,138)</u>
Non-current portion	<u>64,716,922</u>	<u>226,436,277</u>

The loans are repayable as follows:

	2013 US\$	2012 US\$
Within one year	132,626,957	19,645,138
Between one and five years	7,716,922	179,646,250
After five years	<u>53,500,000</u>	<u>46,790,027</u>
	<u>193,843,879</u>	<u>246,081,415</u>

The above loans bear interest between 4% to 14% per annum, are not secured and are repayable until June 2023.

**AMBIKA INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

**12. Trade and other receivables**

	2013	2012
	US\$	US\$
Trade receivables	<u>854</u>	<u>5,344</u>
	<u>854</u>	<u>5,344</u>

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

**13. Cash at bank and in hand**

Cash balances are analysed as follows:

	2013	2012
	US\$	US\$
Cash at bank and in hand	<u>6,608,835</u>	<u>4,291,331</u>
	<u>6,608,835</u>	<u>4,291,331</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

**14. Share capital**

	2013 Number of shares	2013 US\$	2012 Number of shares	2012 US\$
<b>Authorised</b>				
Ordinary shares of €1.71 each	<u>5,000</u>	<u>8,550</u>	<u>5,000</u>	<u>8,550</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>
<b>Balance at 31 December</b>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>

**15. Borrowings**

	2013 US\$	2012 US\$
Balance at 1 January	<u>108,392,572</u>	<u>86,159,177</u>
Additions	<u>8,041,220</u>	<u>40,000,000</u>
Repayments	<u>(21,773,740)</u>	<u>(24,359,740)</u>
Interest expense	<u>7,239,365</u>	<u>6,330,210</u>
Unrealised exchange loss	<u>556,038</u>	<u>262,925</u>
<b>Balance at 31 December</b>	<u>102,455,455</u>	<u>108,392,572</u>
	2013	2012
	US\$	US\$
<b>Current borrowings</b>		
Other loans	<u>74,588,185</u>	<u>17,819,445</u>
<b>Non-current borrowings</b>		
Other loans	<u>27,867,270</u>	<u>90,573,127</u>
<b>Total</b>	<u>102,455,455</u>	<u>108,392,572</u>

**AMBIKA INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

**15. Borrowings (continued)**

Maturity of non-current borrowings:

	2013	2012
	US\$	US\$
Between two and five years	<u>27,867,270</u>	<u>90,573,127</u>

The above other loans bear interest between 2.90% to 13.5% per annum, are not secured and are repayable before the end of 2017.

**16. Trade and other payables**

	2013	2012
	US\$	US\$
Trade payables	267,943,662	199,134,441
Shareholder's current account - credit balance (Note 18.1)	94,709	66,300
Accruals	53,849	70,099
Other creditors	<u>1,586,814</u>	<u>1,586,814</u>
	<u>269,679,034</u>	<u>200,857,654</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

**17. Current tax liabilities**

	2013	2012
	US\$	US\$
Corporation tax	-	51,264
	<u>-</u>	<u>51,264</u>

**18. Related party transactions**

The following transactions were carried out with related parties:

**18.1 Shareholder's current account - credit balance (Note 16)**

	2013	2012
	US\$	US\$
Greater Divide Limited	<u>94,709</u>	<u>66,300</u>
	<u>94,709</u>	<u>66,300</u>

The shareholder's current account is interest free, and has no specified repayment date.

**19. Contingent liabilities**

The Company had no contingent liabilities as at 31 December 2013.

**20. Commitments**

The Company had no capital or other commitments as at 31 December 2013.

## **AMBIKA INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2013

#### **21. Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 3 and 4**